



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029

Chris Curtis, M.P.H., Acting Commissioner  
Bureau for Public Health  
Commissioner's Office  
350 Capital Street, Room 702  
Charleston, WV 25301-3712

Dear Commissioner Curtis:

Enclosed is the Environmental Protection Agency, Region III (EPA) fiscal year (FY) 2004 mid-year grant review for the following assistance agreements of the Public Water System Supervision (PWSS), Drinking Water State Revolving Fund (DWSRF) set-aside, Water Protection Coordination and the Operator Certification Expense Reimbursement grants for the West Virginia Department of Health and Human Resources (WVDHHR). This report consists of a comprehensive report and printouts of the workplan activities contained in the FY 2003 and 2004 West Virginia PWSS program Guidance and Reporting Checklist. This report incorporates data from the semi-annual reports submitted by WVDHHR for the period October 1, 2002 to June 1, 2004.

This report highlights WVDHHR's strengths and significant improvements in the areas of filling vacancies, maintaining full staffing in the Capacity Development Program and in program implementation, completing Ground Water Under the Direct Influence (GUDI) determinations, adoption of new drinking water regulations, and the completion of latitude/longitude data corrections in the Federal Safe Drinking Water Information System (SDWIS/Fed). However, EPA encourages WVDHHR to maintain accurate data and ensure timely up-loads to SDWIS/Fed, complete source water assessments, continue working with the remaining water systems for compliance with sampling for lead and copper and complete SDWIS/State 8.0 version training of all district office staff. Furthermore, EPA awaits West Virginia's revised primacy application for the revised Arsenic Rule needed for EPA to proceed with a primacy approval action and recommends WVDHHR begin reporting detail status on cleaning up violation and enforcement action data, performing the post-migration step in SDWIS/State, and report on the use of security and expense reimbursement grant funds previously awarded.

WVDHHR continues to improve on their spending of PWSS Grant funds. A look at the past two fiscal years reveals that, the state's carryover funds have been reduced from \$26,409 in FY'02 to \$242 in FY'03. This is partially due to regional budget cuts nation-wide thus, allowing



*Printed on 100% recycled/recyclable paper with 100% post-consumer fiber and process chlorine free.  
Customer Service Hotline: 1-800-438-2474*

the states to utilize monies from previous years to make up for current year funding reductions. However, with the uncertainty of future funding levels, EPA advises WVDHHR to monitor spending closely this fiscal year and when projecting budgets for future PWSS Grants continue to plan appropriately and utilize funds efficiently. Gradual draw-downs of DWSRF set-aside funds also reflect appropriate spending and has improved over recent grant periods due to WVDHHR's ability to maintain a full staffing level. Being at full staff has permitted more workplan activities to be accomplished.

If you have any questions regarding the enclosed reports, please do not hesitate to call me at (215) 814-5711 or have your staff contact Wanda Johnson at (215) 814-3249.

Sincerely,

Victoria P. Binetti, Associate Director  
For Municipal Assistance

Enclosures

cc: Donna Weiss  
Barbara Taylor

**Review of the Environmental Protection Agency  
Drinking Water Funded Activities  
Federal Fiscal Year 2004**

**West Virginia Department of Health and Human Resources**

**Introduction**

This Mid-year Review provides the status of the performance of the West Virginia Department of Health and Human Resources (WVDHHR) in meeting the commitments and activities for the period October 1, 2003, to June 1, 2004. It was conducted for the Public Water System Supervision (PWSS), Drinking Water State Revolving Fund (DWSRF), Water Protection Coordination and Operator Certification Expense Reimbursement (ERG) Grants. The review was based on a desk audit conducted during 2004. Due to lack of travel funds, an onsite evaluation was not conducted. The report is presented in two parts; (1) A brief discussion of WVDHHR's strengths and those areas where the Environmental Protection Agency (EPA) has concerns, as well as any recommendations, and (2) a detailed checklist that provides the mid-year status on each commitment/activity for the drinking water program. WVDHHR is invited to submit an addendum to this report if it deems that such an addendum is necessary to clarify or counter EPA's findings.

**Purpose of Report**

The purpose of this report is to:

- Provide the program status of the PWSS Program including a review of the PWSS and DWSRF set-aside funded, Water Protection Coordination and Operator Certification Expense Reimbursement Grant (ERG) commitments/activities for FY '04. This report is intended to:
  1. Ensure that the commitments contained in the work plan/application under the grant awards are being performed on schedule,
  2. Ensure that all programmatic terms and conditions are met,
  3. Assess the available funding to ensure commitment/activity completion,
  4. Ensure all programmatic statutory and regulatory requirements are met, and
  5. Ensure equipment purchased under the award is properly managed and accounted for.

This report will highlight WVDHHR's strengths and indicate any concerns regarding performance. When major issues are identified, EPA will require the recipient to develop and submit a program enhancement plan.

## **PWSS Program**

### **Financial Summary**

EPA approved the WVDHHR's FY'04 PWSS grant in the amount of \$918,064. A partial award of \$400,000 was made on October 21, 2003, and the second and final award for \$519,064 was made on April 19, 2004. WVDHHR utilizes federal funds to pay for 18 full time employees (FTEs) out of the 31 FTEs under this program.

### **Grant Expenditures - FY 2004**

Funds Awarded	Funds Expended	Percent Expended
\$919,064	\$510,070	55%

### **Program Review**

**Strengths:** WVDHHR continues to implement its program successfully and make progress in rectifying deficiencies through program audits/reviews and improving staffing levels. The State has become creative in getting applicants for hard-to-fill vacancies such as by re-advertising the engineering vacancy in the Philippi Office as a level one instead of a level two. Their Capacity Development Program is now fully staffed which is key to ensuring water systems have the technical, managerial and financial capacity to deliver safe portable water. WVDHHR continues to forge ahead to complete the Ground Water Under the Direct Influence (GUDI) determinations. Their district staff are to be commended for making a tremendous impact on unresponsive/orphan systems. The number of these systems have decreased drastically from ninety (90) systems in 2003 to only nine (9) systems in 2004.

The state has been diligent in adopting new regulations. They are the first state in Region III to submit a complete primacy application for the Long-Term 1 (LT1) Enhanced Surface Water Treatment Rule which was tentatively approved on August 11, 2004.

WVDHHR is successfully implementing its Capacity Development Program. Two new systems and one existing system were issued a permit to construct. With a full staff, the State is taking a pro-active approach to assist systems with developing management tools. The distribution of educational materials target water systems and the general public to educate them on the capacity development program, inform them of available assistance and what they should expect from their water system. The State utilized their FY'02 Baseline Priority Ranking to select 20 systems for a detail assessment and assistance. Each system received a detailed "reader friendly" report this year, explaining the status of their system with recommendations on how to improve and a list of sources for assistance. WVDHHR is scheduled to update their Baseline Priority Ranking in FY'05 to assess the overall effectiveness of the program and to see what measurable

improvements have been made at water systems. WVDHHR continues to make it a priority to work with Eastern Wyoming Public Service District (PSD) in Wyoming County to ensure the success of consolidating 15 separate water systems and the significant non-compliance (SNC) systems with enforcement actions remain a top priority for assistance. The State also developed education material (brochures, handouts) aimed primarily at water systems, their managers, operators, employees and the general public to educate them about the capacity development program, inform them of what they should expect from their water system, and to let system personnel and the general public know that assistance is available.

WVDHHR has worked hard to clean up data errors. They completed data input of all missing/incorrect latitude/longitude data in SDWIS/Fed and reduced many errors by providing treatment objectives and processes for treatment plants.

**Concerns:** A Headquarters' review of West Virginia's data for the Lead and Copper Rule (LCR) showed no sampling results of the 90th Percentile reported for the period January 2000 through September 2003 for large and medium public water systems. WVDHHR was reporting the 90th percentile results in SDWIS/State but was not submitting the data to SDWIS/Fed. The state responded with the assistance of a contractor to get the data loaded into SDWIS/Fed. Now that the LCR data is current, EPA encourages WVDHHR to maintain accuracy of data in SDWIS/State and ensure timely uploads to SDWIS/Fed.

The state continues to work on completing source water assessments and are close to completion. However, the state is one year late for meeting the deadline (May 1, 2003) and is encouraged to complete all source water assessments as soon as possible.

WVDHHR continues to work with a few systems to bring them back into compliance for sampling of lead and copper during the required 3-yr. monitoring period. EPA strongly encourages the state to do this as soon as possible.

WVDHHR did not meet their mid-year commitment to have all district office staff trained on the use of SDWIS 8.0 version. This is necessary in order to have conformity in the method and process by which data is tracked and reported among the district offices for existing and new regulations. EPA is available to assist WVDHHR in training staff and encourages the state to complete this training as soon as possible.

WVDHHR has interim primacy for the Arsenic Rule and has obtained authority to enforce the revised arsenic Maximum Contaminant Level of 0.010 mg/l after approval by the state's legislature. EPA will proceed with review for primacy approval upon receipt of a revised primacy package.

**Minor Recommendations:** WVDHHR's efforts to correct the violation and enforcement action data from 1994 to the present should continue. The state must submit a separate report to brief EPA on progress or include a detailed summary of progress in the semi-annual self assessment

reports due May 15<sup>th</sup> and November 15<sup>th</sup> until all data is corrected in SDWIS/Fed. EPA recommends that the state perform a **post-migration step** to SDWIS/State when reviewing the SDWIS/Fed error report as a validation procedure and to avoid resending data that has already been accepted by SDWIS/Fed. This will prevent future data problems. They should work with the SDWIS/State hotline for any assistance they may need.

EPA requests that the state continue to report on its GUDI status and staffing levels along with the mid-year and end-of-year reports. GUDI reporting should include a breakdown of types of systems as well as indicating the stage in the process each system has reached. EPA also requests that WVDHHR continue to submit a current organization chart to show stability of staffing levels. All vacancies should be associated with the funding source and include a status on filling each vacancy.

### **DWSRF and Set-aside funded Activities**

#### **DWSRF Financial Summary**

Since 1997, EPA has awarded \$42,690,000 in Federal funds with \$32,768,400 allocated to the project fund and \$9,921,600 to support set-aside activities. A total of thirty-two FTEs are funded for set-aside activities with thirteen being funded by state appropriations in accordance with the state match requirement for set-asides. Over half of the set-aside funding has been utilized to date. WVDHHR's gradual draw-downs reflect appropriate spending as well as their ability to maintain a full staffing level.

#### **Set-Aside Grant Expenditures**

<b>WEST VIRGINIA SET-ASIDE UTILIZATION 1997-2003</b>				
	<b>Technical Assistance</b>	<b>Program Management</b>	<b>Local Assistance</b>	<b>Total</b>
Cumulative Awarded	\$841,521	\$3,509,642	\$4,161,801	\$8,512,964
*Cumulative Obligated	\$0	\$0	\$0	\$0
% Obligated	0.0%	0.0%	0.0%	0.0%
Expended	\$735,844	\$4,240,382**	\$2,964,562	\$7,940,788
% Expended	87.4%	120.8%	71.2%	93.3%
% Expended U.S. Average	58.3%	62.1%	55.5%	N/A
Cash Drawn	\$681,864	\$2,077,277	\$2,871,735	\$5,630,876

**\*Obligation amounts not available**

**\*\*Program Management Set-aside expenses include required State dollar- for-dollar match national set-aside averages updated 4/2004**

### **Capacity Development / Wellhead Protection**

WVDHHR has established and implemented wellhead protection activities for approximately 700 small water systems. With plans to add more staff to assist in the capacity development assessments, they expect to increase the number of assessments conducted by FY'05.

WVDHHR continues to work with WVDEP's Underground Injection Control (UIC) Program to target delineated source water protection areas. Currently WVDEP is evaluating the potential risk to or susceptibility of drinking water sources to contamination from Class 5 wells and taking regulatory action where needed to eliminate potential risk.

### **Source Water Assessment Protection (SWAP)**

The West Virginia's Source Water Assessment Program (SWAP) is proceeding well. As of May 2004, 99.2% of all Community Water Systems had completed assessments. Assessments for the TNC and NTNC systems were being finished this year also.

The WV Source Water Program initiated a series of symposiums throughout the state, to move into the implementation phase after the assessments have been completed. These symposiums have been an important step in maximizing the value of the assessments.

West Virginia should be commended on comprehensive program reporting which is above and beyond EPA's requirements.

### **Expense Reimbursement Grant (ERG)**

#### **Financial Summary**

On September 30, 2003, EPA awarded WVDHHR's Expense Reimbursement Grant (ERG) totaling \$1,437,900 in support of continuous education and certification of operators at small community and non-transient non-community water systems. Since then the State has drawn down less than one percent (1%) of the funds but expects to have contracts in place in the near future.

### **Operator Certification**

#### **Program Review**

**Strengths:** WVDHHR is successfully implementing its operator certification program, including continuing education as required by the 1996 Safe Drinking Water Act amendments. The state's first annual report was submitted and approved in FY'03. WVDDHR is reclassifying 369 community and non-transient non-community water systems as Class 1 systems therefore, requiring the operators to upgrade their classification to meet the education requirements. There have been approximately 149 Class 1-D systems upgraded to Class 1 with 76 systems remaining to be upgraded. The State has increased the number of training courses and class size in order to have all Class I-D operators reclassified as Class 1 operators in 2004. WVDHHR has implemented a validation process for operator exams called Developing-A-Curriculum (DACUM) that involves participation from subject matter experts in the development of exam questions and job/occupational analysis. The DACUM process has been completed for Class 1 through Class IV water operators. Review of curriculum and exams has begun to ensure that the training and testing meets EPA's guidelines. WVDHHR developed, printed and distributed two six-month WV Drinking Water Education and Training Coalition Semi-Annual Calendars of Training Events. The calendar is distributed twice per year to keep water system personnel informed of important drinking water education and training opportunities.

WVDHHR is still an active member of the Infrastructure and Jobs Development Council (IJDC) and chairs the IJDC Technical Review Committee. This positions the State to see first hand the infrastructure needs of its water systems and maximize state and federal funding.

**Concerns:** WVDHHR's draw down of ERG funds has been minimal. Currently the state is working on contract proposals for training to include basic operator certification and continuing education on-line and backflow prevention assembly testing. Although the grant's project period extends to the year 2008, EPA encourages WVDHHR to get the contracts in place as soon as possible so that operators can start taking advantage of this training.

**Minor Recommendation:** The State must show that current funds will be used in a timely manner. EPA requires that WVDHHR start including progress on the activities of their ERG work plan with a status of expenditures along with the monthly performance measures and narrative submitted by Nancy Fleming.

### **Water Protection Coordination Grant (Security)**

#### **Financial Summary**

On September 18, 2003, EPA approved WVDHHR's FY'03 grant amendment request in the amount of \$50,000 bringing the total federal funding for state counter-terrorism activities in West Virginia to \$307,300.

#### **Grant Expenditures**



Funds Awarded	Funds Expended	Percent Expended	Funds Encumbered	Percentage Encumbered
\$307,300	\$56,457.01	18%	\$44,000	14%

### **Program Review**

**Strengths:** Security kits have been mailed to 555 public water systems. These “kits” assist water systems with vulnerability self-assessments and development of emergency response plans. Development of a communication database to transmit monitoring emergency information is approximately 50% complete. This should be completed this Summer with the hire of Summer intern. Five (5) emergency planning workshops are underway. Four have been completed, the remaining one is to be completed by September 30, 2004.

**Concerns:** WVDHHR has had a poor track record for spending previous year’s funding of water protection coordination grant awards. EPA recognizes that some funding has been encumbered by contracts, however, this does not increase the usage of funds by much.

The biggest problem seems to be the money budgeted for the tablet PCs, software and training to be used for entering sanitary survey data in SDWIS/State from the field. This activity is predicated upon EPA Headquarters efforts to develop a sanitary survey system for use with tablet PCs that would be integrated with SDWIS so that information could be down-loaded. The purchase of the tablet PCs has been delayed until EPA completes development of this software.

**Minor Recommendations:** The state must show that current funds will be used in a timely manner. EPA requires that WVDHHR begin submitting monthly progress reports on the activities of this security grant with a status of expenditures.